REPUBLIC OF BULGARIA

MINISTRY OF ENVIRONMENT AND WATER

99-00-200

07 August 2023, Sofia

Subject: *Project "Neptun Deep" in Romania*

Dear Minister FECHET,

Hereby, I would like to acknowledge the receipt of your letter № DGEIECPSC/107903 dated 27.06.2023 (received by e-mail only) with re-submitted Notification under Article 3 of the Convention on Environmental Impact Assessment in a Transboundary Context (the Espoo Convention) for the Neptun Deep Project on the territory of Romania.

We would like to thank you for your notification of the Neptun Deep Project in 2022 and for the re-submission of the Notification under Art. 3 of the Espoo Convention and the attached Presentation Memorandum.

At the same time, we would like to bring to your attention that with our letter No. OBOC-33 from October 19, 2022 we informed you of the need to conduct more in-depth consultations with the competent authorities in our country, including in connection with the recently approved Maritime Spatial Plan of the Republic of Bulgaria for the period 2021-2023.

According to the information in the Notification and Presentation Memorandum, the purpose of the Neptun Deep Project is the development of natural gas reserves in the Neptun Deep block, located in the Exclusive Economic Zone (EEZ) of Romania in the Black Sea.

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The planned activities of the project are offshore production of natural gas reserves from the Neptun Deep block (Domino and Pelican South gas fields) located in the Romanian portion of the Black Sea, delivery of the treated gas from the Shallow Water Platform (SWP) to the onshore Natural Gas Metering Station (NGMS) through an approximately 160 km length gas production pipeline and with 762 mm diameter, and transfer of the natural gas from the Natural Gas Metering Station to the Romanian National Transmission System.

The implmentation of the project includes construction of the onshore and offshore facilities.

The main project related onshore and offshore facilities are:

- Onshore facilities: Pipeline and Communication Cable Installation; Undercrossing of Beach, Seafront, Roads and Railway; Temporary Road Railway Crossing; Construction of the Natural Gas Metering Station - NGMS, Control Center - CCR, Fencing, Lighting, Parking, Green Space, Platforms, and Internal Roads; Site Works Organization and Utilities Connections;

- Offshore facilities: Domino and Pelican South Infrastructure (Drill Centers, Wells, Manifolds, Umbilicals, Risers, Flowlines, Ancillary Equipment); Shallow Water Platform - SWP; Gas Pipeline; Fibre Optic Cable; Landfall Crossing; Utilities; and operation of onshore infrastructure (NGMS and CCR) gas production pipeline and fibre optic cable (FOC), SWP and related offshore subsea infrastructure.

Three drilling centers will be built (2 for the Domino field - Domino Drill Center 1 /DODC1/ and Domino Drill Center 2 /DODC2/ and 1 for the Pelican South field - Pelican South Drill Center 1 /PSDC1/), wells (10 wells, located in a group arrangement around the drilling centers, with the possibility of increasing to 12).

The area proposed for construction/installation of the onshore facilities of the Neptun Deep project is located in the southern part of the administrative territory of Tuzla locality, Constanta County, close to the northern border of the administrative territory of Costinești commune. The nearest international border to the onshore project site is the Bulgarian territory border, situated more than 25 km south of the southern-most edge of the onshore project site. The entire onshore area impacted by the construction/installation works of the onshore facilities and shore-crossing microtunnel has a total surface of 232,876 m2.

The production pipeline and the shore crossing is planned to be executed in the Tuzla shore area using the microtunneling method. The onshore entry point of the microtunnel will be located within private land owned by project beneficiaries. The offshore exit point of the microtunnel will be located within the coastal waters of the Black Sea.

The underwater area in Black Sea that will be occupied by the offshore facilities (SWP, Domino and Pelican South Drilling Centers, flowlines, umbilicals, offshore production pipeline and fibre optic cable, offshore landfall, and other related facilities) is 813,607 m2.

The production pipeline is approximately 160 km long on a west-east direction between the shore and the SWP location on the continental shelf. The pipeline is generally

running in parallel with the southern limit of Romania's EEZ that borders northern part of Bulgaria's EEZ. The distance between the production pipeline and EEZ limit varies between approximately 25 km near the shore and 46 km near the SWP location.

SWP is located on the continental shelf of the Black Sea approximately 160 km west of Tuzla locality, Constanta County in the Black Sea and at approximately 46 km north from the south limit of Romania's EEZ (bordering the Bulgaria's EEZ).

PSDC1 is located on the continental shelf of the Black Sea approximately 160 km west of Tuzla locality, at about 2 km northeast of the SWP in the Black Sea and at approximately 47 km north from the south limit of Romania's EEZ (bordering the Bulgaria's EEZ).

DODC1 and DODC2 are located on the slope from the shelf to the basin of the Black Sea approximately 175 km west of Tuzla locality, at about 24 km southeast of the SWP in the Black Sea and at approximately 35 km north from the south limit of Romania's EEZ (bordering the Bulgaria's EEZ).

After careful consideration of the provided information of the project and consultations with the competent authorities in our country, it was found that there is possibility of transboundary impact on the Bulgarian territorial waters in the Black Sea:

- *During the construction, operation and maintenance of the offshore infrastructure and the vessels engaged in the project activities, it is possible the occurrence of so called "operational pollution" of the sea waters due to accidental leakage of fuel, oil, chemicals, waste and etc.*
- *Contamination may also be occurred due to fuel leaks after accidents on the ships servicing the platform.*
- *The offshore facilities will be located north of the border between the EEZ of Romania and Bulgaria. The closest offshore components to the EEZ border are DODC1 and DODC2, which are located approximately 35 km north of the southern border of Romania's EEZ, respectively. The northern border of the EEZ of the Republic of Bulgaria in the Black Sea; According to the information on the project, the potential negative impacts on water, as a result of its implementation, are related to accidental spills/discharge of waste water, fuels, oils, waste, substances accompanying drilling and production.*
- *The project is related to changes in hydrographic conditions and disruption of the integrity of the seabed, and potential contamination (including sediments) with fuels, wastes, substances accompanying drilling and production, and the resulting consequences. Given that the main current in the Black Sea is in a north-south direction, in the case of an accident, there is a potential risk that the pollution will also affect the Bulgarian marine environment.*

- *The prevailing southern current around the Romanian and Bulgarian coasts creates a risk of reaching the Bulgarian section of chemical pollutants and oil products as a result of accidents or operational pollution. The short distance will make it difficult for the Romania to put the emergency plans into action in a timely manner.*
- *A potential health risk for the Republic of Bulgaria from the implementation of the project is possible pollution of the Bulgarian territorial waters, including bathing waters and the adjacent coastline with chemical substances from waste production waters, contamination of sea waters with fuels and oils from construction and transport vessels, pollution from accidental leakages of reagent storage tanks located on drilling platforms and etc.*

In the light of the foregoing and in accordance with Article 3 of the Espoo Convention, I would like to inform you that we express the willingness of the Republic Bulgaria to participate in the EIA procedure in a transboundary context for the Project "Neptun Deep".

In relation to the transboundary impact, we draw attention to compliance with the requirements of Chapter VIII, Transboundary Impacts of Directive 2013/30/EU of the European Parliament and of the Council of the EU on safety of offshore oil and gas operations and amending Directive 2004/35/EC.

In circumstances, included in the above-mentioned chapter of Directive 2013/30/EU, Romania should provide the relevant information in its entirety. This will make it possible to identify measures to prevent accidents during project activities in the territorial sea, the continental shelf and the exclusive economic zone of the Republic of Bulgaria in the Black Sea.

The environmental impact assessment (EIA) report should contain a detailed analysis of the possible "scenarios" for pollution of the Black Sea as a result of emergency or disaster situations occurring during the implementation of the project in the Neptun block, with mathematical modeling of the distribution of pollutants along the water course and assessment of the probability and scale of affecting the Black Sea water area, including in relation to the Bulgarian territorial waters and coastline, as well as bathing waters, drinking and mineral waters in the area, including measures to prevent and mitigate possible negative impacts.

Given that the border between the Bulgarian and Romanian EEZ in the Black Sea has not been defined and is still subject to diplomatic negotiations between the two countries, the determination of the distance from the Bulgarian EEZ is difficult, as well as assessing whether and to what extent the project will affect the marine environment and the national interests. In this regard, it is necessary the coordinates of offshore facilities and activities in the sea to be specified It is necessary information on the risks associated with ionizing radiation to be provided in the EIA report. The notification and the Presentation Memorandum do not indicate possible risks from the technogenic increase in the content of natural radionuclides as a result of the exploration and operation of the facilities, and the fact that these activities pose a risk of contamination of drinking water on the territory of the Republic of Bulgaria with increased content of natural radionuclides.

The EIA report should also take into account the fact that Bulgaria's EEZ is one of the areas for which the status is assessed, according to the Marine Strategy Framework Directive (MSFD). Given that the project affects the EEZ of Romania, bordering the EEZ of Bulgaria, it will be implemented near the Marine Assessment Area (MAA) of the EEZ. In accordance with the requirements of the MSFD, the assessment of the status of each MAA is carried out according to each of the qualitative descriptors specified in the Directive (biodiversity, non-native species, fish and shellfish species, subject to commercial fishing, food webs, eutrophication, seabed integrity, changes in hydrographic conditions, pollutants in the marine environment, pollutants in fish and other seafood, marine litter, underwater noise).

We would kindly ask you to submit to us the EIA Report/the part with transboundary impact assessment on Bulgarian territorial waters in Black Sea, in Bulgarian language.

Please accept, Mr. Minister, the expression of my highest consideration and readiness for successful future cooperation.

Yours sincerely,

Julian Popov
Minister of Environment and Water